

Second marriages and co-mingled families have their fair share of issues but none more important than the uncertainty that minors may face in the unlikely event that one of the guardians or parents passes away.

ARE WILLS ENOUGH?

Where families consist of step children, have joint custody arrangements with ex-spouses, joint assets with ex-spouses and existing partners, just relying on Wills to distribute assets can be tricky.

Where new relationships are entered into, existing assets are brought into the relationship, new joint assets are created and children are being born into the new relationship, questions as to who owns what and who is responsible for whom become muddled. As parents, none of us would want to leave the security of our children to chance if something unfortunate were to happen to us.



Very often, individuals who have Wills in place clearly stating how their assets are to be divided between their beneficiaries forget to update them to reflect any changed circumstance. This can be fatal as every new relationship brings new responsibilities (imposed by law) and in order to ensure that your loved ones are adequately looked after, your Wills need to be updated and reviewed even before your circumstances change.

Having a frequently updated Will has a better chance of bringing about the outcome that you are after at any stage of your life but this only deals with assets when you are gone.

INTER VIVOS (LIVING) GIFTS

Rather than distributing assets after your death, it is possible to lock away certain assets/investments in a trust with specific capital beneficiaries in

mind. This way, you know that a particular home, share portfolio, investment property or even monies in bank accounts are earmarked for the benefit of your children from a previous marriage. This trust is controlled by you during your lifetime with the control handed to your executor/executrix named in your Will.

By doing this, uncertainties as to possible challenges to your Will are eliminated and more importantly, risks of arguments within the family are minimised.

TRUSTS AS ASSET HOLDING AND INVESTMENT VEHICLE

Other than setting aside assets for your loved ones during your lifetime, trusts can be useful vehicles to hold assets and investments.

Consult your accountant as to whether setting up a Family Discretionary Trust is the best way to hold your family investments, taking into account tax benefits pertaining to your circumstances, the flexibility of distribution of income and capital and the nature of the assets concerned.

**Contact us to arrange a consultation or
a joint meeting with your accountant
and start planning ahead.**